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Lowell W. Paxson / Chairman

April 23, 2003

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

The Honorable Michael K. Powell  
Chairman  
Federal Communications Commission  
The Portals  
445 12th Street, S.W.  
8th Floor  
Washington, D.C. 20554

**Re: Ownership Rulemaking And The TV Cap**

Dear Chairman Powell:

On behalf of Paxson Communications Corporation ("PCC"), I am writing to you with regard to the Commission's current review of its broadcast ownership rules and, in particular, its review of the national television ownership cap. I am fully aware that the completion of the current ownership rulemaking is the top priority for the Commission and PCC has actively participated with the Commission in developing an extensive evidentiary record by filing comments and reply comments.

I would like to take this opportunity to address the issue of the Commission's review of the current 35% national television ownership cap and to suggest a resolution that we feel will make the Commission's decision fully defensible and, indeed, unassailable before the Courts. We believe that this proposal is in keeping with the Commission's obligations under Section 202(h) of the Communication's Act and the Court's interpretation of the FCC's biennial review responsibilities.

In summary, PCC believes that the FCC should immediately increase the cap to 45% or 50% based on the judgment that the current cap is not necessary in the public interest but that immediately eliminating the cap also may not be in the public interest. Our suggestion is that the Commission would then increase the cap by 2.5%

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on a biennial basis until the cap reaches **60%** to permit the Commission, as part of successive biennial reviews, to evaluate developments in the television broadcast and media markets and determine whether it should allow the cap to increase or hold it at the then current level. This reformation of the television ownership cap will, in our opinion, eliminate the risk of Court review and reversal because it reflects the Congressional mandate of Section 202(h) and will not be second-guessed by the court.

It is difficult to find record evidence to support the maintenance of the status quo or the total elimination of the cap. The record, however, is abundantly clear that there is increasing diversity in the video delivery, news and entertainment media markets and that consolidation and vertical integration have not harmed the public interest. However, it is not clear from the record that total elimination of the cap is currently in the public interest. PCC believes that an increase to 45% or 50% with scheduled biennial increases thereafter is a properly phased approach that is fully deregulatory but leaves the Commission with options if market distortions should occur.

Finally, as you consider this ownership issue, I ask you to remember that implementation of full digital multicast must carry will increase diversity and increase voices dramatically at the local level with a corresponding dramatic increase in viewpoints in the local marketplace.

Very truly yours,

Lowell W. Paxson

Chairman & CEO

Paxson Communications Corporation

cc: Commissioner Kathleen W. Abemathy  
Commissioner Michael J. Copps  
Commissioner Kevin J. Martin  
Commissioner Jonathan S. Adelstein